

EXECUTIVE SECRETARIAT**ROUTING SLIP**

TO:

		ACTION	INFO	DATE	INITIAL
1	DCI				
2	DDCI				
3	EXDIR		X		
4	D/ICS		X=		
5	DDI				
6	DDA		X		
7	DDO				
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9	Chm/NIC				
10	GC				
11	IG				
12	Compt		X		
13	D/OLL				
14	D/PAO				
15	D/PERS				
16	VC/NIC				
17	D/FINANCE		X		
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SUSPENSE

Date

Remarks

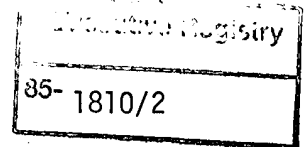
Executive Secretary
22 Nov 85

Date

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EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503



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MEMORANDUM FOR HEADS OF DEPARTMENTS AND AGENCIES

FROM: Joseph R. Wright, Jr.
Deputy Director

SUBJECT: Financial Systems

In conjunction with our review of agency plans submitted under Circular A-127, "Financial Management Systems," we have become aware of a number of innovative approaches agencies are taking to modernize and streamline their systems.

One of the most promising is the use of off-the-shelf software in combination with existing hardware. This approach has permitted some agencies to put in systems in a matter of months, without incurring high costs or disruption of operations. While packaged systems may not be able to meet all requirements for department-wide standardization and integration, they may provide the basic building blocks needed.

We would like to bring the accomplishments of the following agencies to your attention:

- The FBI installed key elements of a financial system in 18 months using commercial software with little modification, for less than \$500,000.
- The Agricultural Stabilization and Conservation Service implemented a core financial system, featuring an integrated budget preparation module, in eight months at a cost of under \$400,000.
- The Maritime Administration and Treasury's Financial Management Service both put in the same financial system developed in another Federal agency in a matter of months, with similarly low costs.
- Both the District of Columbia Government and the Consumer Product Safety Commission have installed the core functions of a personnel system in weeks at a cost under \$100,000.

These findings show that modern financial management need not rely exclusively on customized, expensive systems that are built from scratch. In addition to the examples cited above, we are certain there are other packaged systems that agencies are currently using or considering. We urge you to explore the use of these systems as an alternative to multi-million dollar custom development efforts, and to bring any additional successes in this area to our attention.

